

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State Kentucky

Attachment 4.16-A  
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Cooperative Arrangements with State Health and State Vocational  
Rehabilitation Agencies

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The following is a description of the cooperative arrangements with the State health and State vocational rehabilitation agencies by means of which the services administered or supervised by those agencies will be utilized to the maximum degree and will be coordinated with the medical care and services provided by State agency under the plan:

1. The agreement with the Bureau of Rehabilitation Service, Department of Education, the state vocational rehabilitation agency, provides for fulfillment of the requirements of 42 CFR 431.615. A copy of this agreement is attached. (Attachment 4.16-A.1)
2. The provisions of the agreement between the former Departments of Health and Economic Security fulfill the requirements of 42 CFR 431.615 and continue to remain in force. A copy of this agreement is attached. (Attachment 4.16-A.2)
3. The intracabinet memorandum of agreement with the Department for Health Services provides for preventive and remedial health care services for eligible Medicaid recipients and fulfills the requirements of 42 CFR 431.615.
4. The intracabinet memorandum of agreement with the Department for Mental Health and Mental Retardation Services provides for prescreening, annual resident review, and other administrative functions relating to Preadmission Screening and Annual Resident Review (PASARR) and fulfills the requirements of 42 CFR 431.620.
5. The state agency provides for the coordination of the operations under Title XIX with the state's operations under the special supplemental food program for Women, Infants, and Children under Section 17 of the Child Nutrition Act of 1966 by notifying all Medicaid recipients of the availability of WIC benefits and referring such potential WIC eligible to the WIC Program.
6. The interagency memorandum of agreement with the Commission for Handicapped Children provides for Title V Grantee services and fulfills the requirements of 42 CFR 431.615.

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9. The interagency agreement with the Department for Public Health and the Department for Mental Health and Mental Retardation Services provides for targeted case management, and diagnostic, preventive, and rehabilitative early intervention services for Medicaid eligible recipients participating in the Kentucky Early Intervention Program for infants and toddlers, and fulfills the requirements of 42 CFR 431.615.

## A G R E E M E N T

This Agreement is for the purpose of clarifying the relationship between a program of rehabilitation services administered through the Bureau of Rehabilitation Services of the Kentucky Department of Education and a program of medical assistance administered by the Department of Economic Security, in cooperation with the State Department of Health, under Title XIX of the Social Security Act. The Agreement also serves to formalize procedures and practices that are presently in force between the Department and the Bureau. A cooperative relationship has long existed between the two Agencies in the matter of services to and referral of mutual clients.

The Department and Bureau agrees to use the facilities of each Agency for rehabilitating applicants and recipients of medical and financial assistance. This includes sharing of information between agencies on mutual clients and to respect the confidential nature of information made available by either Agency.

In recognition of the fact that a very large number of individuals who receive services from the Bureau will be eligible for medical care benefits administered by the Department, staff of the Bureau will be alert to referral to the Department of individuals who may qualify for such benefits. Staff of the Department will refer to the Bureau those recipients who are in need of rehabilitation services.

Title XIX funds will be used to pay for medical services, within the scope of the Department's program, which are a part of the plan of treatment and rehabilitation of individuals eligible under Title XIX. The Bureau will thus be enabled to broaden the benefits of its program to individuals in need of service who are not eligible for Title XIX benefits, or to provide additional supplementary benefits. Except, Bureau funds will be used in the event of necessity to maintain quality of care.

Policies of either Agency known to effect the cooperative work of the agencies will be jointly evaluated. Plans to effect policy changes needed to achieve joint goals will be joint efforts.

The Bureau and the Department hereby agree to direct all other of their activities toward using the resources of the two Agencies to the best advantage of clients served jointly.

/s/ Ben F. Coffman  
Ben F. Coffman  
Assistant Superintendent  
Bureau of Rehabilitation Service  
Department of Education

/s/ C. Leslie Dawson  
C. Leslie Dawson  
Commissioner  
Department of Economic Security

6/14/66  
Date

6/14/66  
Date

## CONTRACT

THIS AGREEMENT entered into this 27th day of December, 1960, between the Department of Economic Security, party of the first part, and the State Department of Health, party of the second part, is made pursuant and subject to the provisions of Sections 205.510 to 205.610, 205.991 and 211.106 of the Kentucky Revised Statutes:

## WITNESSETH:

WHEREAS, the 1960 General Assembly of the Commonwealth of Kentucky by the enactment of Sections 205.510 - 205.610, 205.991 and 211.106 of the Kentucky Revised Statutes, has recognized and declared that it is an essential function, duty and responsibility of the Commonwealth of Kentucky to provide medical care to its indigent citizenry; and

WHEREAS, the General Assembly has directed that the Department of Economic Security shall contract with the State Department of Health for the purpose of carrying out the medical aspects of the Medical Care Program for Indigent Persons in accordance with the intent of said Sections 205.510-205.610, 205.991 and 211.106 of the Kentucky Revised Statutes;

NOW, THEREFORE, in consideration of the covenants and premises hereinafter set out, the parties hereto, in order to implement, carry out and fulfill the duties and responsibilities placed upon the parties by the enactment into law of the Medical Care Program for Indigent Persons do agree as follows:

1. The party of the first part will provide funds to the party of the second part, within limitations to be hereafter agreed to from time to time by the parties, giving consideration to existing budgetary conditions for all actual, necessary expenses which second party incurs in carrying out the duties and responsibilities outlined herein.

2. The party of the second part shall carry out the medical care aspects of the Program and in doing so will among other things:

- a. certify that services rendered are in accordance with quantity and quality standards as established;
- b. certify to the Department of Economic Security that medical services have been rendered by qualified vendors;
- c. develop and maintain manuals of policies, procedures, and instructions for the operation of the medical aspects of the Program;
- d. develop bases of payment for medical care and any alterations therein; and certify vendor billings for compliance with bases of payment as established;

- e. evaluate the medical aspects of the Program, and assist in the evaluation of the total Program, and in preparing recommendations for alterations therein;
- f. establish and maintain separately or jointly with first party statistical procedures and methods for the accumulation of accurate records on utilization of the Program; and for use as a control technique in the enforcement of quality and quantity standards; and for use in the evaluation of the Program and recommendations for alterations therein;
- g. prepare periodic program reports and other reports and materials;
- h. provide staff assistance to the Advisory Council for Medical Assistance;
- i. work with the technical advisory committees and county medical review committees as they carry out their functions;
- j. develop and recommend rules and regulations pertaining to quality and quantity standards for medical aspects of the Program;
- k. jointly with the first party establish and maintain effective channels for the dissemination of information regarding the Program to professional organizations involved and to the public;
- l. assist local health departments in working with community groups and organizations interested in the Medical Care Program;
- m. perform all other duties required of said second party by law or regulations promulgated thereunder, and all other duties agreed to by the parties.

3. In the event the appropriate funds become insufficient to provide medical services on a uniform basis pursuant to this contract, the Department of Health shall consult with and advise the Department of Economic Security as to the best method of expenditure reduction and upon the manner and method of reduction of medical services for the duration of such insufficiency of funds. In like manner, in the event that appropriated funds are over and above the amount necessary to provide medical services in accordance with established regulations, the Department of Health shall consult with and advise the Department of Economic Security as to the method of expanding services provided and upon the manner and method of expansion of medical services for the duration of such surplus of funds.

4. The parties hereto further agree that second party will maintain adequate records of administrative expenditures and should a Federal audit exception be taken to an administrative expenditure made by second party, and said exception later sustained, then second party shall refund to first party the amount of the excepted expenditure.

This Agreement shall continue in full force and effect until terminated in writing by both parties or cancelled by either party upon written notice to the other party given at least sixty (60) days prior to the designated termination date, at which time both parties shall enter into a new contract.

IN TESTIMONY WHEREOF, the party of the first part has caused this instrument to be executed by Jo M. Ferguson, its Commissioner, and the party of the second party by Russell E. Teague, M.D., its Commissioner, the day and date first above written.

Approved: /s/ William L. Brooks  
Asst. Attorney General  
Department of Finance

DEPARTMENT OF ECONOMIC SECURITY  
Party of the First Part

Approved: /s/ Maurice P. Carpenter  
Director of Purchases

By /s/ Jo M. Ferguson  
Jo M. Ferguson  
Commissioner

Approved: /s/ Robert Matthews, Jr.  
Commissioner of Finance

STATE DEPARTMENT OF HEALTH  
Party of the Second Part

By /s/ Russell E. Teague, M.D.  
Russell E. Teague, M. D.  
Commissioner

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